1254. [*Transferred to 3rd December, 1992*]

Foreign Direct Investment in India

1255. MISS SAROJ KHAPARDE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that as per the assessment made by the International Finance Corporation (IFC) officials, it may be years before India can expect large-scale foreign direct investment (F.D.I.) as reported in the Times of India, dated 11th September, 1992 under the news item captioned "Large-scale FDI to India may take long : IFC".

(b) if so, what are the details thereof; and

(c) what remedial steps Government propose to take in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) to (c) The International Finance Corporation (IFC), which is a member of the World Bank Group, supports private sector initiatives and investments in member countries of the World Bank. Government have no information about the reported assessment made by IFC. In fact, the total foreign investment approvals upto September, 1992 were Rs. 29.5 billion, as compared to Rs. 5.3 billion in 1991 and Rs. 1.2 billion in 1990.

Proposal to change Financial Year

1256. MISS SAROJ KHAPARDE : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal under Government's consideration to change the Financial year from April to March to the calendar year as per the recommendations of the L. K. Jha Committee;

(b) if so, what are the details thereof;

(c) if not, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE) : (a) No, Sir.

(b) Does not arise.

(c) The report of the L. K. Jha Committee was considered at length by the Government in consultation with all State Governments. The State Governments, except for four, did not favour any change. Even among the four States, there was no consensus regarding the alternative financial year to be adopted. In view of this, and also the fact, that in the present day context the Budget is influenced by innumerable considerations which are not dependent on the behaviour of the South-West monsoon (which is one of the main reasons given by the Committee for suggesting a change in the financial year); the difficulties in maintaining uniformity in statistical series; the amendments needed in the tax laws; the problems of fitting the changes into the Five Year Plans and Finance Commission's recommendations, it was decided that the existing financial year need not be changed.

A statement indicating the decision and the reasons for it was also placed on the table of the Rajya Sabha on 21-4-1986.

Nayak Committee on Financial Support to Small Sector

1257. SHRIMATI KAMLA SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the P. R. Nayak Committee appointed by the RBI has strongly criticised in its report the existing financial support in the small sector and village and tiny industries in the country;

(b) if so, what are the salient features of the observations made by the Committee and the suggestions to improve their lot;

(c) what is the reaction of Government with regard thereto; and

(d) by when a copy of the report is likely to be laid on the Table of the House?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a), (b) and (d) The Reserve Bank of India (RBI) has reported that the P. R. Nayak Committee appointed by it had gone into the adequacy of institutional credit to the SRI sector and related aspects. It has, in its report, brought